

ADJUSTMENT OF BURLEY TOBACCO ALLOTMENTS

JUNE 27, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 8170]

The Committee on Agriculture, to whom was referred the bill (H. R. 8170) relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 1, lines 6 and 7, strike out "five-tenths" and insert in lieu thereof "seven-tenths".

Page 1, line 7, after the word "cropland" change the period to a colon and insert:

Provided, however, that no allotment of one acre or less shall be reduced more than one-tenth of an acre in any one year.

STATEMENT

The purpose of this bill is to equalize among all growers the adjustments which must be made from time to time in the acreage allotments for burley tobacco. The production of this crop is characterized by a large number of very small acreage allotments. At the present time the 475,000 acres of burley-tobacco allotment are divided among 305,847 different farms, an average of only 1.56 acres per farm.

Under the present laws relating to burley-tobacco allotments, some growers are protected against having their allotments reduced below 1 acre, while many other growers have no such protection. Farms without that protection and with allotments of 1 acre or less, have had their allotments reduced 32 percent since 1945, while those whose small allotments are protected have suffered no decrease or have actually had their acreage increased during that same period.

This bill, which was introduced at the request of the Department of Agriculture, will reduce the minimum stated acreage from 1 acre to seven-tenths of an acre and will give all burley growers the benefit of this protection.

ADMINISTRATIVE ADJUSTMENTS

During the hearings on the bill it appeared to the committee that some improvement in the burley-tobacco program can be made by administrative adjustments of present rules and regulations of the Department. In reporting this bill favorably in order to improve the program, the committee does so with the expectation that the Department of Agriculture will take such administrative steps as may appear to be desirable. The committee suggests particularly that action be taken with respect to the following two situations:

At the present time, the "tolerance" allowed to a producer in complying with his acreage allotment is ninety-nine one-hundredths of one-tenth of an acre. Several witnesses testified that this is more tolerance than is necessary in the case of allotments as small as those for burley tobacco and results merely in producers in many areas intentionally overplanting their allotments by the allowable tolerance. It is the recommendation of the committee that this tolerance be reduced drastically.

Second, testimony indicated that burley tobacco is being grown in vacant lots in many towns and cities in the burley area. Where such production is actually a part of a larger farming operation, the producer is, of course, entitled to grow his tobacco on any part of his land he may choose. It was the opinion of witnesses, however, that in some instances this "vacant-lot farming" constitutes the entire farming operation of the tobacco producer involved. The committee recommend that the Department review carefully its definitions of eligible farms in order to eliminate from the quota those "vacant lot" producers who may not be eligible for a burley allotment under a strict interpretation of the law.

HEARINGS

Two days of hearings were held on the bill and it was supported very generally by representatives of burley-tobacco associations from most parts of the producing area. The National Grange and the Farm Bureau also appeared in favor of the bill with the Grange representative, as did several other witnesses, recommending that the minimum be placed at seven-tenths of 1 acre (as provided in the amended bill) instead of five-tenths of 1 acre, as provided in the bill as originally introduced.

There was some opposition to the bill expressed by two witnesses, but the committee believe that the committee amendments will meet the objections those witnesses had and that they would probably favor the bill as amended and reported by the committee. Several of the witnesses who appeared before the committee will be among those whose acreage will be reduced as a result of this legislation. Nevertheless, they recommended its adoption for the benefit of the burley program as a whole.

COMMITTEE AMENDMENTS

The committee have changed from five-tenths of an acre to seven-tenths of an acre the acreage minimum provided in the bill. Several witnesses who appeared in favor of the bill as drafted nevertheless suggested that they thought the seven-tenths minimum was preferable. It may be that the minimum may have to be reduced again at some future time, but it was the opinion of several witnesses that, with the administrative improvements suggested in this report, it would be several years before there would be any necessity of again reducing the minimum acreage and thereby broadening the base for any over-all reduction in the burley allotment.

The second amendment will prevent the reduction in any allotment of 1 acre or less of more than one-tenth of an acre in any 1 year. Several witnesses suggested that some such provision against growers with very small allotments being sharply reduced should be included in the bill. The committee believe that with these two amendments the bill will provide for a much more equitable and workable program for burley tobacco.

DEPARTMENT REPORT

The bill was introduced at the request of the Department of Agriculture and the executive communication from the Secretary of Agriculture suggesting the legislation is appended hereto and made a part of this report.

MAY 22, 1952.

The VICE PRESIDENT,
United States Senate.

DEAR MR. VICE PRESIDENT: At the invitation of the Department, some of the Senators and Representatives from the burley-tobacco-producing area met with Department officials recently to discuss problems relating to the burley tobacco marketing-quota program. In keeping with the request of Senators and Representatives attending the meeting the Department submits herewith suggested legislation to provide a more uniform, a more equitable, and a sounder economic basis for the establishment of burley tobacco acreage allotments.

The Department is confronted with serious difficulty in establishing allotments under present provisions of law and, in our judgment, these difficulties are such that they may make it virtually impossible to continue operation of the program successfully. The facts cited below will bring out the problem:

1. Public Law 43, Seventy-eighth Congress, approved April 29, 1943 (57 Stat. 69), provides that the burley tobacco acreage allotment which would otherwise be established for any farm having a burley acreage allotment in 1942 shall not be less than one-half acre.

2. Under Public Law 276, Seventy-eighth Congress, approved March 31, 1944 (58 Stat. 136), the allotment for any farm having a burley tobacco acreage allotment in 1943 cannot be less than 1 acre or 25 percent of the cropland, whichever is smaller.

3. Burley allotments are distributed as follows:

- (a) 304,847 farms share 475,000 acres of allotment in 1952, an average of 1.56 acres per farm. Tobacco on many farms is grown by two or more families and the average burley allotment per family is about 1 acre.

- (b) 190,836 farms have allotments of 1 acre or less and an additional 13,540 farms have allotments of 1.1 acres each in 1952.

- (c) The estimated number of farms having burley allotments of 1 acre or less in 1943 is 95,000.

4. Farms with allotments above 1 acre have had their allotments reduced 32 percent since 1945, while smaller allotments have remained the same or increased.

5. With a normal crop in 1952, burley allotments in 1953 would need to be reduced by at least 20 percent below 1952 in order to bring supplies in line with demand.

6. If only the allotments above 1 acre are reduced by 20 percent in 1953, the net reduction will be only 13 percent. Any reduction in subsequent years would be even less effective because more allotments would be reduced to 1 acre and, therefore, be protected. Thus, it would become increasingly difficult to maintain supplies in line with demand.

7. The average yield per acre of burley tobacco in the 5 years 1939-43 was 985 pounds, whereas the average in the 5 years 1947-51 was 1,271 pounds. Thus, seven-tenths of an acre of burley tobacco now is equivalent to 1 acre in 1944 from the standpoint of production, and the yield trend is still upward.

Although the Department did not object to Public Law 276 at the time of its enactment as a wartime measure, we have been greatly concerned about its application and have twice before called this to the attention of the Congress. Protection of a farm having an allotment in 1943 through a specific legal minimum (the smaller of 1 acre or 25 percent of the cropland) and denial of that protection to an adjoining farm across the road or fence, because the allotment for that farm was established in 1944 or 1945, would create misunderstanding and dissension among the growers. Recognizing this, the Department has used permissive provisions of the law to avoid reducing allotments of 1 acre or less which were not specifically protected under Public Law 276. However, in view of the necessity for further adjustment of supplies of burley tobacco and the ever-increasing number of allotments that have not shared in these adjustments, the Department is unable to justify continuation of this protection to allotments of 1 acre or less met protected by Public Law 276. Therefore, unless the law can be amended in time to permit application of the amendment in the establishment of allotments in September and October of this year for the 1953 crop, there will be around 95,000 farms—about one-half of the so-called small allotments—on which the allotments should be reduced in 1953, leaving the other 95,000 farms protected under Public Law 276.

The Department recommends that the law be amended to provide that the farm acreage allotment for burley tobacco for any year shall not be less than the smallest of (1) the allotment established for the farm for the immediately preceding year, (2) five-tenths of an acre, or (3) 25 percent of the cropland in the farm. This amendment would (1) place all small allotments on a uniform basis, (2) bring the over-all job of adjusting supplies in line with demand within sounder and more manageable limitations, and (3) eliminate the virtually impossible administrative burden arising out of record keeping over an indefinite period of years in relation to a specified earlier year.

The enclosed draft of a bill would accomplish the objectives recommended by the Department. The Department urgently recommends that the proposed bill be enacted.

The enactment of this proposed bill would entail no additional administrative expenses.

The Bureau of the Budget advises that from the standpoint of the program of the President, there is no objection to the submission of this recommendation.

Sincerely,

CHARLES F. BRANNAN, *Secretary.*